

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.1325a Annual enterprise risk report.

Sec. 1325a. (1) Except as otherwise provided in subsection (2), the ultimate controlling person of an insurer subject to registration under section 1324 shall file an annual enterprise risk report with the director or a jurisdiction designated by the director. The report must be appropriate to the nature, scale, and complexity of the operations of the insurance holding company system and must, to the best of the ultimate controlling person's knowledge and belief, identify the material risks within the insurance holding company system that could pose enterprise risk to the insurer. The report is not subject to subpoena or discovery, is not admissible in evidence in a private civil or administrative action, and is not subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. The ultimate controlling person of an insurer subject to registration under section 1324 may request an exemption from this section. The ultimate controlling person of the insurer shall file with the director a written statement discussing the reasons why the ultimate controlling person of the insurer should be exempt. The director may grant the exemption if after review of the statement the director finds that compliance with this section would create an undue financial or organizational hardship on the ultimate controlling person.

(2) The ultimate controlling person of an insurance holding company system subject to registration under section 1324 that meets the requirements of this subsection on or before the effective date of the amendatory act that added this section is not required to file an annual enterprise risk report under subsection (1) if all of the following requirements are met:

(a) The ultimate controlling person is exempt from taxation under section 501(c)(5) of the internal revenue code of 1986, 26 USC 501.

(b) The ultimate controlling person was organized under the laws of this state before January 1, 1921.

(c) The director has not approved the controlling person's petition for disclaimer of affiliation or has disallowed a disclaimer of affiliation under section 1332.

(d) The insurer in which the ultimate controlling person owns a controlling interest meets both of the following requirements:

(i) Is registered under section 1324.

(ii) Is a wholly domestic insurer with no more than 10% of its written premium covering risks outside of this state and has not issued policies directly insuring any risk located outside of this state.

History: Add. 2015, Act 244, Imd. Eff. Dec. 22, 2015.

Popular name: Act 218